

Colorado Energy Office (CEO) SMART Act Hearing

Joint House Energy and Environment and Senate Transportation and Energy
Committee

Friday, January 13, 2023

CEO's Mission & Vision



Mission

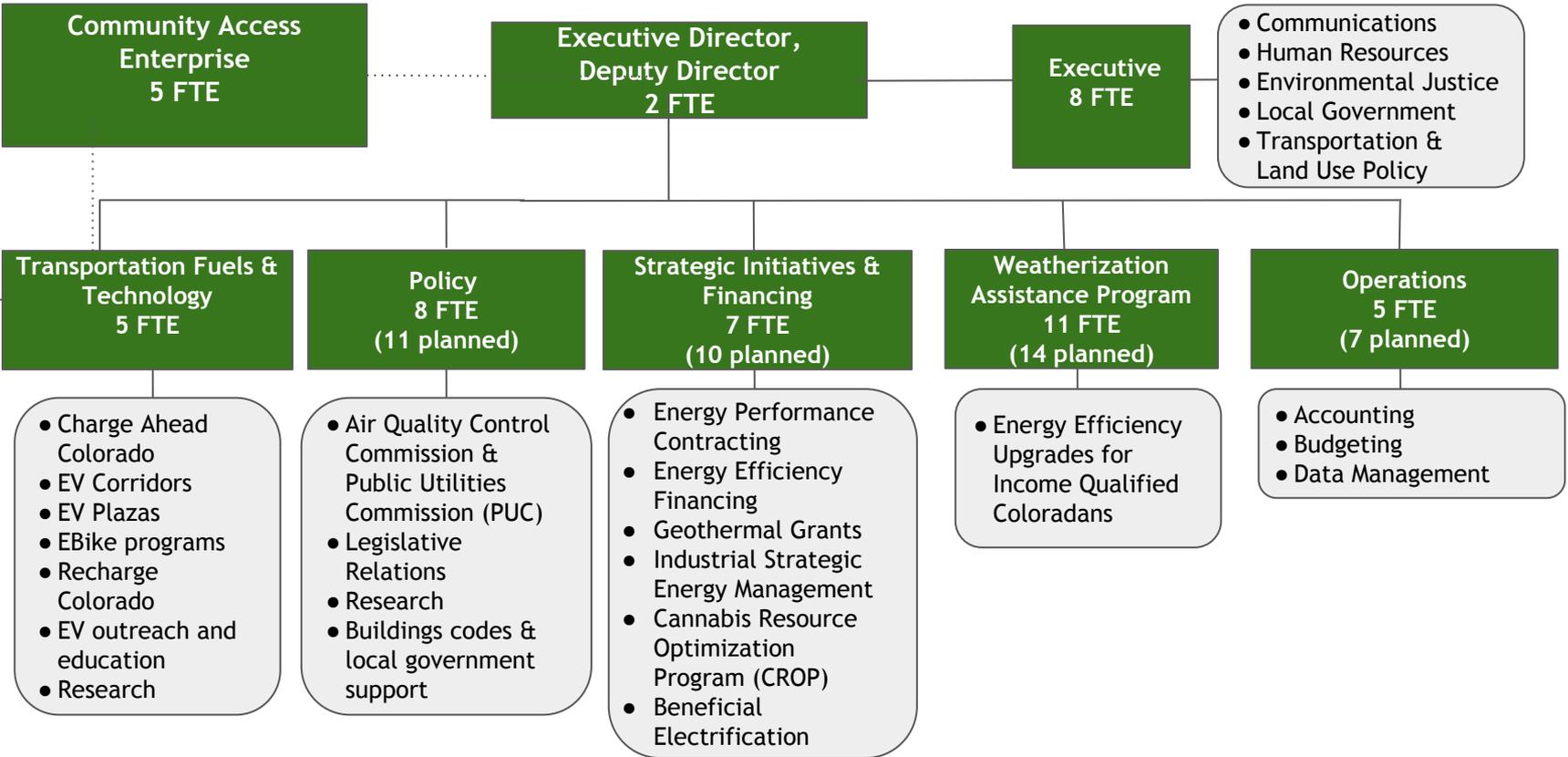
Reduce greenhouse gas emissions and consumer energy costs by advancing clean energy, energy efficiency and zero emission vehicles to benefit all Coloradans.



Vision

A prosperous, clean energy future for Colorado.

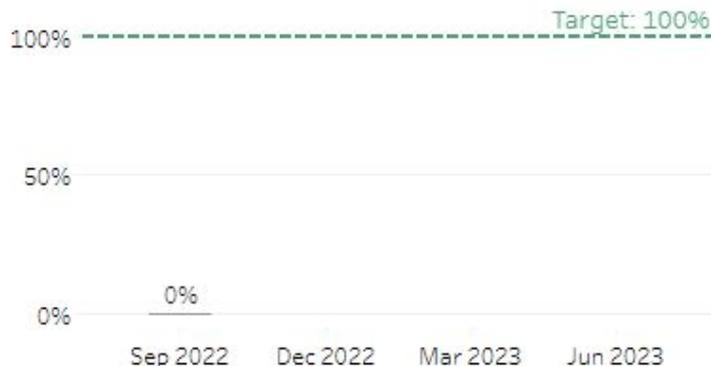
Colorado Energy Office Organizational Chart



CEO FY 2022-23 Wildly Important Goals (WIGs)

Wildly Important Goal:

Update the Greenhouse Gas Roadmap to develop a new near-term action plan for 2023-2026, by June 30, 2023.



The Greenhouse Gas Pollution Reduction Roadmap, released in January 2021, laid out a clear action plan to meet the State's pollution reduction goals. Successful completion of this goal will identify additional near-term targets and actions needed to keep Colorado on track to meet its ultimate climate action goals.

How CEO will accomplish the WIGs:

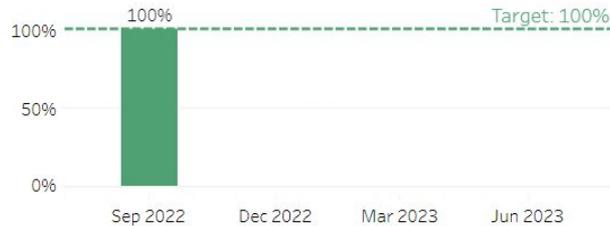
Develop and finalize recommendations from the Building Performance Standards Task Force that will be presented to the Air Quality Control Division by June 30, 2023.



File comments and participate in clean trucks rulemakings (Advanced clean trucks and low NOX omnibus) at the Colorado Air Quality Control Commission by June 30, 2023.



File comments and participate in Greenhouse Gas Emissions and Energy Management for Manufacturing II rulemaking at the Colorado Air Quality Control Commission by June 30, 2023.



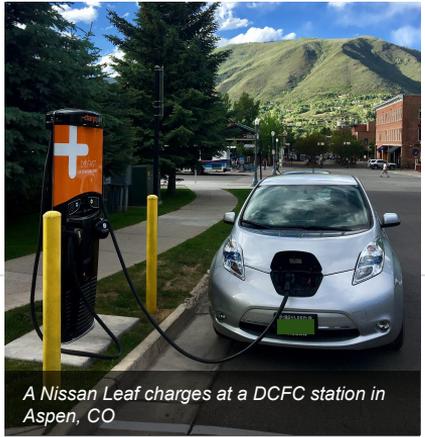
File comments and participate in rulemakings at the Colorado Public Utilities Commission for Clean Heat, Gas Demand Side Management, and Beneficial Electrification by June 30, 2023.



CEO FY 2022-23 Wildly Important Goals (WIGs)

Wildly Important Goal:

Increase the number of annual new light duty electric vehicle (EV) registrations to 27,925 by June 30, 2023.



Successful completion of this goal will put Colorado on track to meet its ambitious greenhouse gas pollution reduction goals. The reduction goals rely heavily on electrification of the transportation sector, the largest source of emissions currently, representing 27% of total emissions in Colorado.



CEO FY 2022-23 Wildly Important Goals (WIGs)

Wildly Important Goal:

Implement programs that achieve an estimated 143,290 MMBtu energy savings from energy efficiency, conservation and renewables in the built environment, which includes homes and buildings, by June 30, 2023.



A WAP contractor blows attic insulation, Alamosa, CO



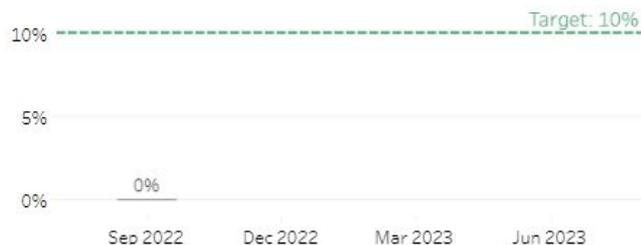
Successful completion of this goal will reduce the energy burden on low-income Coloradans and reduce costs for other homeowners, building owners and businesses. It will also reduce total emissions related to building energy use which is a major source of emissions in our state.



Crews weatherize a family home in Antonito, CO

How CEO will accomplish the WIGs:

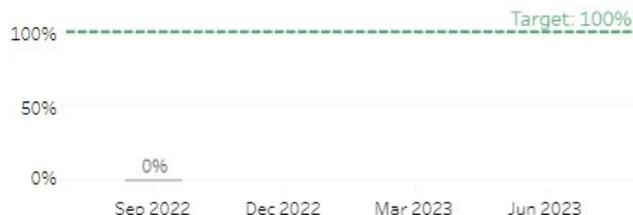
Launch the building electrification for public buildings grant program and allocate 10% of grant funding by June 30, 2023.



For the first & second program years, achieve at least 80% compliance rate with benchmarking reporting submissions and fee payments by June 30, 2023.



Complete 100% of a strategic plan by June 30, 2023 to distribute 30% of the building electrification for public buildings grant money to low income and disproportionately impacted communities over the duration of the program.



CEO FY 2022-23 Wildly Important Goals (WIGs)

Wildly Important Goal:

Initiate a study and complete scenario modeling by June 30, 2023 on what additional actions and technologies are needed to achieve 100% clean electricity for Colorado by 2040.



Successful completion of this goal will get the State closer to achieving the Governor's bold goal of 100% clean electricity by 2040 and provide concrete near term actions—policies, programs, and technology investments—to reach this ambitious goal.



How CEO will accomplish the WIGs:

File testimony in at least two renewable energy plan filings at the Public Utility Commission by June 30, 2023.



Complete a study on the future of the natural gas system and its role in building decarbonization by June 30, 2023.



More information

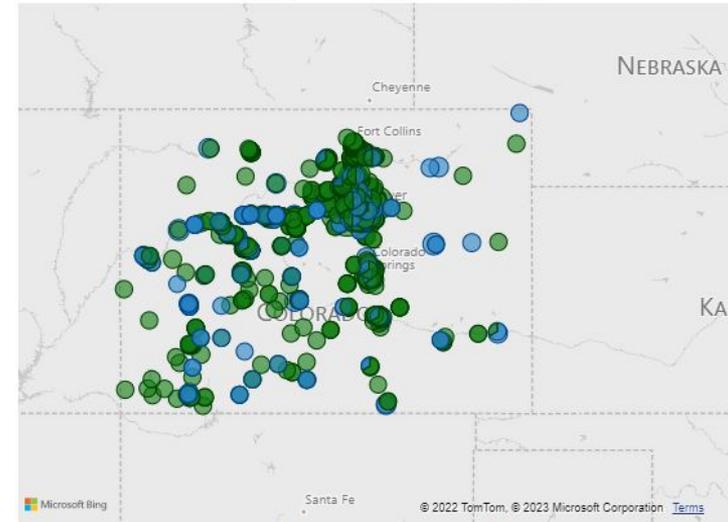
To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the [Governor's Dashboard](#).

For more information on additional [Department] goals, view our FY 2022-23 Performance Plan at: operations.colorado.gov/performance-management/department-performance-plans

CEO Performance Management

- In addition to WIGs, CEO teams internally track progress on dozens of goals on a monthly basis
- Information is made public where possible
 - Example: [EV Dashboard](#) (screenshot)
- Goals are reviewed each year and updated during Strategic Planning
- EDI goals have been included in internal tracking
- Goals are also incorporated into individual performance plans which are created annually and reviewed at mid-year and end of year

Charging Ports by Power Level



Charging Level ● DC Fast Charge Ports ● Level 2 Ports

Sample screenshot from EV Dashboard

CEO FY 2023-24 Budget Request

FY 2023-24 Budget Snapshot

*FY 2023-24 Total Funds: \$88,222,609

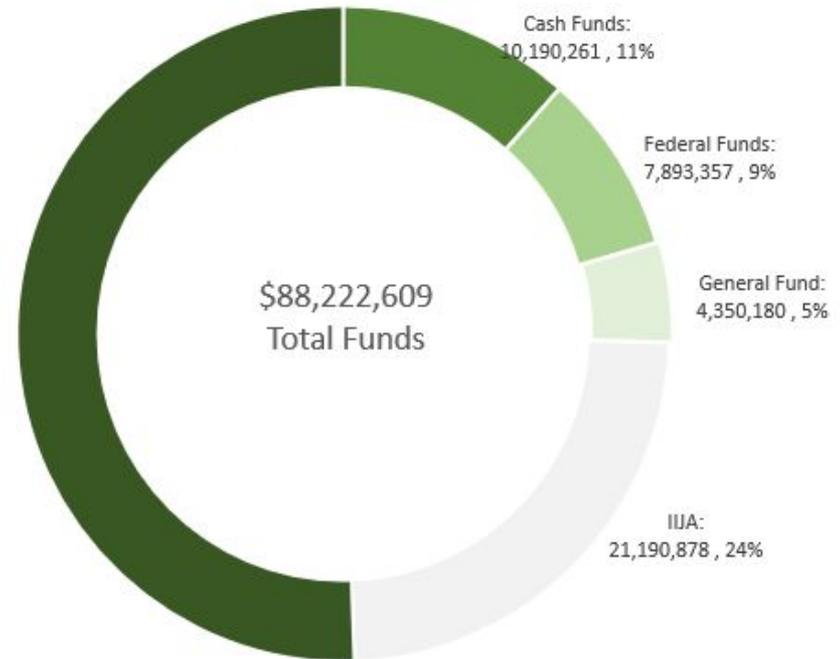
FY 2023-24 General Fund: \$4,350,180

FY 2023-24 FTE: 51

*Estimates for new legislation fund as some are in planning stages

*IIJA totals only include known funding that is incoming in FY23

Cash Funds (new
Legislation only):
44,597,609 , 51%



CEO Select FY 2023-24 Budget Requests

CEO's FY 2023-24 Budget Request includes the following:

- R-01 EPC Feasibility Studies (\$750,000)
 - \$750k in General Funds as a one-time investment to conduct targeted feasibility studies to identify the best state-owned buildings to undergo Energy Performance Contracting (EPC). EPC is a model for funding and implementing efficiency capital improvement upgrades, which allows entities to use future cost savings to fund projects.

Legislative Agenda

CEO's Legislative Agenda includes the following priorities:

- EV Charging & Parking Requirements
- Colorado Property Assessed Clean Energy Program (CPACE) Improvements
- Geothermal Energy Opportunity (including tax credits)
- Advancing Clean Hydrogen (including tax credits)
- Other Clean Energy Tax Credits
 - EV incentives (including medium & heavy duty)
 - E-bike incentives
 - Industrial emission reduction
 - Sustainable Aviation Fuel
 - Electric lawn equipment

Regulatory Agenda

To implement legislation and CO's GHG Roadmap and make progress toward GHG targets, CEO participates before the Air Quality Control Commission (AQCC) and the Public Utilities Commission (PUC)

- In FY21-22, this included 3 AQCC and 34 PUC proceedings
- Proceedings implementing recent clean energy legislation included:
 - 3 Electric Resource and Clean Energy Plans (SB 19-236 and HB 21-1266)
 - Rules for gas Clean Heat Plans and energy efficiency (SB 21-264, SB 21-246, and HB 21-1238)
 - Environmental justice and disproportionately impacted communities (SB 21-272)
 - Investigating Community Choice Energy (HB 21-1269)
 - Rules for electric Distribution System Plan (SB 19-236)
- Additional activity included utility cost recovery for Winter Storm Uri in February 2021, utility energy affordability programs, transmission, utility rates for EVs, customer incentives for energy efficiency and renewable energy

Regulatory Agenda

Priorities in near future include:

AQCC:

- Building Performance Standards - AQCC will promulgate the final rules for the State's building performance standards (BPS) no later than June 1, 2023.
- Greenhouse Gas Emissions and Energy Management for Manufacturing Phase 2 - will create a rule determining how the industrial sector will reduce emissions 20% by 2030 compared to 2015.
- Advanced Clean Cars 2 - AQCC will create a rule to accelerate light-duty electric vehicles adoption.

PUC:

- Completing Electric Resource and Clean Energy Plans proceedings for three electric utilities
- Gas Demand Side Management - As required by HB21-1238, all gas distribution utilities must file updated plans to support increased investments in energy efficiency
- Xcel Clean Heat Plan - As required by SB21-264, Xcel will file its plan in August 2023 to reduce emissions from its gas distribution utility 4% by 2025 and 22% by 2030 compared to 2015 levels.

Equity, Diversity, and Inclusion

In accordance with the Governor's Executive Order 2020 175, the Department has implemented the following efforts in accordance with its equity, diversity, and inclusion plan:

- CEO has an active volunteer EDI working group that focuses on incorporating EDI principles into hiring, procurement and CEO programs
- EDI working group also provides and supports both required and optional training to all CEO staff
- Work to better incorporate EDI and prioritize equity in policy & programs also supported starting in May 2022 by Environmental Justice Specialist (1 FTE)

Equity, Diversity, and Inclusion

Building equity centrally into goals and design of key programs:

- Transportation Electrification
 - Charge Ahead Colorado and Charging Plazas programs now include enhanced incentives for projects located in disproportionately impacted communities
 - These applications also receive preferential scoring
 - Charge Ahead Colorado also provides enhanced incentives for multifamily housing projects that serve income-qualified tenants
 - eBike grants and rebates designed to increase access for low- and moderate-income Coloradans
 - Vehicle Exchange Colorado (high-emitting vehicle replacement program) will provide rebates to low- and moderate-income Coloradans



Equity, Diversity, and Inclusion

Building equity centrally into goals and design of key programs:

- Weatherization Assistance Program (WAP)
 - Rooftop solar through WAP: Provides qualified homeowners with free solar systems to support the resilience of low-income communities during Colorado's energy transition.
 - Community-scale weatherization and beneficial electrification: Ongoing pilot project to retrofit and upgrade a manufactured home community in Leadville, CO. This project will inform the FY25 RFA process for a community scale subgrantee to serve rural communities throughout the state.



Solar panels installed through WAP in Alamosa, CO

Stimulus Funding Implementation

Overall Spending Status - CEO

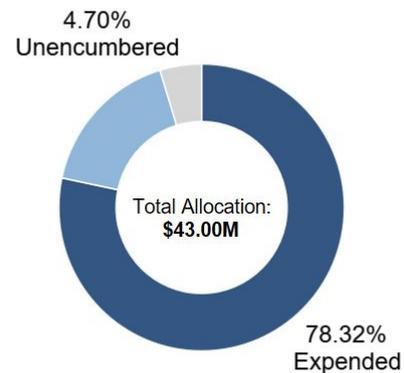
ARPA State & Local Fiscal Recovery Funds (SLFRF)

N/A

ARPA Direct to Agency Awards (DAA)

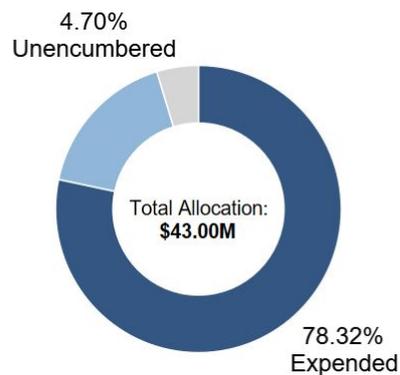
N/A

State Stimulus



Stimulus Funding Implementation: SB21 230 & 231

State Stimulus



- SB21-231 provided an additional \$3 million for weatherization activities for fiscal year 21-22. Funds supported energy efficiency retrofits as well as beneficial electrification and renewable energy in the form of rooftop solar photovoltaic systems for low income Coloradans.
- SB21-230 provided \$40 million dollars for a variety of programs including one time transfers to the Colorado Clean Energy Fund and Colorado New Energy Improvement District (\$30M and \$3M respectively), as well as to the Residential Energy Upgrade program for energy financing. Additional funding is supporting electric vehicle charging infrastructure for the state fleet and a new building benchmarking program created by HB21-1286.

Implementation of Major Legislation from FY22 Session

Bill	Summary	Current Status
SB22-180: Ozone Season Transit Grant Program	\$28 million to transit agencies statewide to provide fare free transit service during the 2022 and 2023 summer ozone season	Promising initial results: Colorado Springs' Mountain Metro Transit saw 48% increase and RTD saw 36% increase over August 2021
SB22-193: Clean Air, E-Bike, Cannabis Resource Optimization Programs	Grants to reduce industrial emissions, promote use of e-bikes, and reduce emissions from cannabis industry	Conducting stakeholder engagement for program design, procurement processes. Programs will launch Spring 2023.
HB22-1381: Geothermal Energy Grant Program	Grants & technical assistance to support the use of geothermal energy for electricity generation and space/water heating and cooling	Conducting stakeholder engagement for program design, procurement processes. Programs will launch Spring 2023.
HB22-1362: Public Building Electrification Grants, High Efficiency Electric Heating & Appliance Grants	Grants to promote installation of high-efficiency electric heating equipment	Conducting stakeholder engagement for program design, procurement processes. Programs will launch Spring 2023.
SB22-206: Sustainable Rebuilding Program Fund	Funds to help rebuild to high performance building standards after natural disasters	Working with DOLA to administer rebates for Marshall Fire victims, launching program for East Troublesome & Cameron Peak Fires, other qualifying disasters.